

HOUSING SECTION NEWSLETTER

City of Flagstaff



ON THE SPOT:

OPENING HOMEOWNERSHIP OPPORTUNITIES THROUGH THE FLAGSTAFF COMMUNITY LAND TRUST PROGRAM








With the median sales price of a home in Flagstaff in 2021 being just over a half a million dollars, according to the [Affordable Housing Flagstaff Community Needs Assessment](#), the Housing Section is proud to formally introduce the Community Land Trust (CLT) program and its evolution through the years.

The CLT program was established by City Council in 2006 to provide affordable homeownership opportunities to qualifying households who would otherwise not be able to purchase homes in the open market. In the land trust model, the City retains ownership of the land, while the homeowner owns only the improvements (the home). To qualify for the program, buyers must meet certain eligibility criteria and agree to a resale restriction placed on the home, which keeps the purchase price affordable to future buyers. A ground lease between the homeowners and the City secures the terms of the CLT and ensures future buyers will also benefit from an affordable purchase price. In the past couple of years, CLT program

homebuyers have been purchasing resale homes for around \$200,000, leaving them with affordable monthly payments below 30% of their gross monthly income. On the other hand, market-rate buyers are entering a world of bidding wars and unattainable home prices. Unfortunately, this leaves many workforce employees with very limited homeownership opportunities.

What Can Flagstaff Families Afford?

Household Type	Retiree on Fixed Income	Service Industry Worker @ \$15/hr.	Single Parent with 2 children	Family of 4 people	Young married couple
					
Number in Household	1	1	3	4	2
Estimated Household Income	\$16,140	\$31,200	\$55,350	\$76,800	\$73,800
% of Area Median Income	30%	58%	80%	100%	120%
Max Rent They Can Afford	\$404	\$780	\$1,384	\$1,920	\$1,845
Max Home Purchase Price They Can Afford *	\$49,000	\$125,000	\$248,000	\$359,000	\$343,000
\$ Needed for Downpayment & Closing Costs *	\$3,185	\$8,125	\$16,120	\$23,335	\$22,295

4.0% interest rate; 30-year term with 3.5% down payment. Assumes 30% housing ratio and that household debt does not impact affordability. Insurance = \$50/mo. Taxes = \$120/mo. No HOA payment. Monthly MI @0.28%.

When the Housing Section launched the very first affordable homes in 2004 in partnership with a developer, the CLT program did not exist. Instead of a ground lease, the very first permanently affordable ownership homes were deed-restricted to achieve permanent affordability. As the lending market shifted out of the Great Recession, it became easier for buyers to obtain financing on land trust units in which the ownership of the land and the improvements were separated. As those original deed-restricted units sell, there is an opportunity to convert each home to the City's land trust.



In recent years, lending trends have opened up again and financing is available for either a community land trust or a deed-restricted home. This is very helpful for financing condominiums, which do not have land underneath a unit to place into a land trust. Since 2019, developers have committed to delivering a total of 26 affordable condominium units in three different developments.

For more information about affordable ownership opportunities, visit the City's [website](#) or contact Jennifer Mikelson, Housing Analyst, at JMikelson@FlagstaffAZ.gov.

GET INVOLVED! OUR COMMUNITY NEEDS YOU!



The Housing Commission has two open seats in the Building and Real Estate Professionals category. One seat requires a local builder and the other seat requires a developer. For more details, refer to the [Commission's Enacting Authority](#).

If you are interested or know a local builder or developer who might be interested, please share this information. To apply, [click here for a commission application form](#).

The Housing Commission meets the fourth Thursday of the month from 1PM-3PM. Applicants must reside in City limits and be over the age of 18 years to be eligible to serve. For questions, please email LBloom@FlagstaffAZ.gov.

FLAGSTAFF'S 10-YEAR HOUSING PLAN - WHAT'S NEXT?

Flagstaff's 10-Year Housing Plan was presented to the Housing Commission on January 27. The Plan was approved unanimously by Housing Commissioners. Next and will be presented to Flagstaff City Council for consideration of adoption on February 15, 2022.

Flagstaff's 10-Year Housing Plan is a single, comprehensive community-facing document to summarize the City's immediate and long-term needs and strategies to improving housing affordability. The Plan defines Flagstaff's Housing Emergency, identifies the community's housing needs, and compiles research on best practices. Together, these components created policy initiatives and strategies that will be implemented by the City of Flagstaff. The policy initiatives and strategies will substantially increase the number of affordable housing units and will assist in providing housing subsidies to low- and moderate-income Flagstaff residents. As the City of Flagstaff and community partners work together to implement the 10-Year Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

If you're interested in providing public comment regarding the Final 10-Year Housing Plan, please attend the February 15, 2022 [City Council Meeting](#).



2021: A YEAR IN REVIEW

HOME BUYER ASSISTANCE PROGRAMS



In 2021, the City of Flagstaff provided \$87,000 in down payment & closing cost assistance



8 households assisted in 2021



Homebuyer assistance programs have opened the door to homeownership for 8 low to moderate income families & City of Flagstaff employees



Downpayment and closing cost assistance loans match the homebuyers contribution and average \$10,875 per household

For a detailed map of homes purchased utilizing City of Flagstaff homebuyer assistance programs please visit:
<https://tinyurl.com/tydp8uc>

AFFORDABLE HOMEOWNERSHIP PROGRAMS

The City of Flagstaff Housing Section & Community Land Trust Program, in partnership with Housing Solutions of Northern Arizona, offers permanently affordable ownership opportunities to Flagstaff residents. Affordability is preserved for future households with resale restrictions placed on a property through either a ground lease or deed restriction.



There are currently 47 homes in the Community Land Trust (including deed restricted units)



In 2021, 2 land trust homes were re-sold to first time homebuyers and 4 first time homebuyers signed purchase agreements for homes currently being built



There are 127 homes slated for development in the coming years

PERMANENTLY AFFORDABLE RENTAL UNITS

The City of Flagstaff has helped to create over 1,766 permanently affordable rental units available to low and moderate income, elderly and disabled individuals and families.



265

Public Housing Units owned and operated by the CoF

431

Affordable units assisted by developer incentives *includes LIHTC developments

80

Clark Homes/HUD units managed by the Flagstaff Housing Authority

741

Low Income Housing Tax Credit Development Units

508

Rental Vouchers Awarded to Veteran, Disabled & Low & Moderate Income Families

COMMUNITY DEVELOPMENT BLOCK GRANT

The City of Flagstaff receives Community Development Block Grant (CDBG) funds from the US Department of Housing and Urban Development (HUD). CDBG funds are provided on a formula basis to entitled communities to develop viable urban communities by providing low-moderate income persons with

- decent housing
- suitable living environments and/or
- economic opportunities

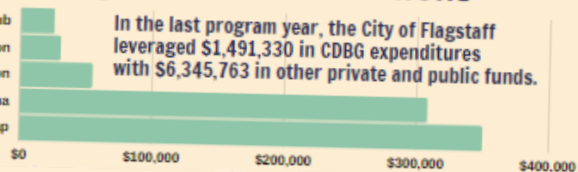


Last year, the City of Flagstaff's CDBG-funded programs:

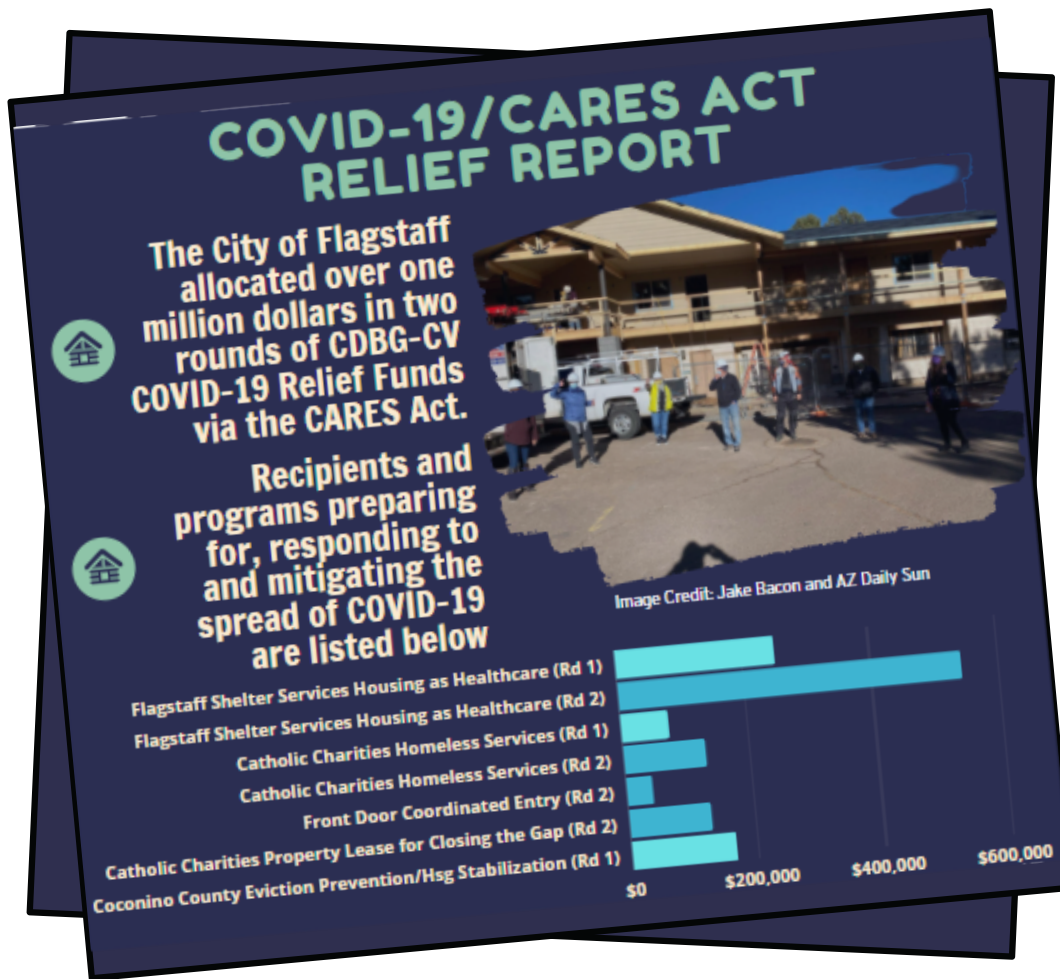
- Prevented homelessness for 44 low and moderate income households
- Provided 15 homeless individuals with permanent supportive housing
- Developed 5 new and renovated 8 existing transitional housing units for homeless survivors of domestic violence

2021/2022 Program Year Allocations

Boys and Girls Club
Homeless Youth Connection
Native Americans for Community Action
Housing Solutions of Northern Arizona
Catholic Charities Closing the Gap



In the last program year, the City of Flagstaff leveraged \$1,491,330 in CDBG expenditures with \$6,345,763 in other private and public funds.



The mission of the Housing Section is to develop a viable urban community by providing decent and adequate housing, a suitable living environment, and expanded economic opportunities for the Flagstaff community, especially for low- and moderate-income persons.

If you'd like to sign up for the City of Flagstaff Housing Section's mailing list to receive the latest Housing updates, [click here!](#)

